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RECORDING REQUESTED BY
AND WHEN RECORDED RETURN TO:

Turlock Irrigation District
Attn: Casey Hashimoto
333 East Canal Drive
Turlock, CA 95380
Telephone: (209) 883-8242

(Space Above For Recorder's Use)

**COVENANT AND AGREEMENT
TO RESTRICT USE OF PROPERTY**

**APN 045-150-016
9016 North Lander Ave
Hilmar, California 95324**

*This instrument is an environmental restriction
pursuant to California Civil Code Section 1471*

THIS COVENANT AND AGREEMENT (this "Covenant") is made as of the
22 day of AUGUST 06 by TURLOCK IRRIGATION DISTRICT, a Public Utility
("Covenantor"), and CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD,
CENTRAL VALLEY REGION, a California public agency ("Covantee" or
"Water Board"), with reference to the following facts:

A. Covenantor is the owner of real property described more particularly in
Exhibit "A" attached hereto (the "Property").

B. Past electrical substation operations conducted at the Property by Covenantor
and/or its predecessors-in-interest resulted in the release of certain waste constituents into the
soil and groundwater.

The Property is located at the corner of Lander Avenue and August Road, Hilmar, California, is
comprised of approximately 0.98 acres and is rectangular in shape. The Property has been used
as an electrical substation under the ownership of the Covenantor since 1932. It has been re-
built/re-modeled twice since then; in 1988 and again in 1998. Prior to the 1998 construction, a
limited soil and groundwater investigation was conducted by Condor Earth Technologies Inc.
(Condor) on March 28, 1997. The purpose of the work was to investigate the presence of wastes
related to the past use of the Property as an electrical substation. The initial testing indicated the
presence of low levels of Total Extractable Petroleum Hydrocarbons (TEPH) as motor oil and
diesel as well as low levels of Polychlorinated Biphenyls (PCB's) in the soil and water.

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FRESNO, CALIF.

E. Remediation activities described above were conducted on July 7, 1997.

Of the 5 soil samples collected from the walls and bottom of the PCB excavation, only one sample from the bottom contained a detectable PCB compound. Arochlor 1260 was detected at a concentration of 0.41 mg/kg. None of the water samples collected from the PCB excavation contained detectable PCB compounds.

The soil sample taken at a depth of 7.5 feet in the hydrocarbon excavation contained no extractable petroleum hydrocarbons. The water sample collected from the excavation contained no detectable hydrocarbon compounds.

Condor Earth Technologies, August 21, 1997. EXCAVATION OF CONTAMINATED SOILS, REPORT OF REMEDIAL ACTION, Hilmar Substation.

F. In order to protect present and future public health and safety, Covenantor desires and intends to ensure that the Property is used in a manner that avoids potential harm to persons, the environment or property which may result from the presence of waste constituents on the Property.

G. This Covenant is given to bind Covenantor and successive owners of the Property to restrictions on the future use of the Property, which restrictions are for the benefit of the Covenantee.

ARTICLE I GENERAL PROVISIONS

1.1 Provisions to Run with the Land. This Covenant sets forth protective covenants, conditions and restrictions ("Restrictions"), upon and subject to which the Property and every portion thereof shall be held, used, improved, occupied, leased, sold, hypothecated, encumbered, and/or conveyed. The Restrictions shall run with the Property, and shall apply to and bind Covenantor and all successors in interest therein. The Restrictions are imposed upon the entire Property except as otherwise expressly stated herein.

1.2 Deemed Concurrence. All persons or entities acquiring any interest in the Property or any portion thereof shall be conclusively deemed by such acquisition, lease or possession to have irrevocably agreed to the Restrictions for and among themselves and their heirs, successors, assignees, agents, employees, licensees and lessees, and the agents, employees, licensees and lessees of such owners, heirs, successors, and assignees. In the event an owner of all or a portion of the Property (including Covenantor) conveys fee title to some portions of the Property to third parties but retains an interest in other portions of the Property, upon the conveyance of the portion(s) of the Property to third parties, the conveying owner shall forever be released and relieved of any further obligation or liability under the Covenant with respect to the portion of the Property so conveyed for events arising from and after the date of such transfer. Upon any owner's sale or transfer of its entire interest in the Property, such conveying

Within 30 days of signing this Covenant, the Covenantor shall submit a Health and Safety Plan (Plan) to the Regional Water Quality Control Board. The Plan shall address worker's safety issues related to any excavating, grading, digging, drilling, or boring the soils below a depth of four feet within the area of the former PCB excavation. The Plan shall remain readily available at the Covenantor's offices. A notation shall be made on the site plans to the Hilmar Substation that indicates the Plan is to be referenced before any subsurface work is initiated below a depth of four feet within the area of the former PCB excavation.

Owners, occupants or others having custody or control of this Property subsequent to Covenantor's ownership may not excavate, grade, dig, drill, or bore the soils below four feet deep within the area of the former PCB excavation, unless they have first obtained written consent in each instance from the Central Valley Regional Water Quality Control Board. Covenantor is not required to obtain prior written consent.

2.2 Notice in Agreements. Covenantor shall include in all deeds, leases or licenses of any portion of the Property the following statement:

"The [sold/leased/licensed/conveyed] property is subject to a use limitation based on past environmental contamination of a portion of the property. While that contamination has been substantially remediated, to protect public health and safety, the property is subject to a covenant that runs with the land, which restricts the use of the property. The Central Valley Regional Water Quality Control Board is the Covenantee of this covenant. This statement is not a declaration that a hazard exists at the property."

ARTICLE III ENFORCEMENT AND MORTGAGEE PROTECTION

3.1 Enforcement. This Covenant is entered into for the express benefit of Covenantee. Covenantor and/or Covenantee may enforce this Covenant or recover any and all damages recoverable under applicable law for breach in an action at law or in equity.

3.2 Mortgagee Protection. Notwithstanding any provision of this Covenant, no breach of the Restrictions, or the enforcement of any provisions contained in this Covenant shall affect, impair or defeat the lien or charge of any duly recorded mortgage or deed of trust encumbering any portion of the Property, or affect, impair, or defeat the interest of the mortgagee, or its successors or assigns (the "Mortgagee") pursuant to such a mortgage, provided that such mortgage is made in good faith and for value. All of the Restrictions shall be binding upon and effective against any owners whose title is derived through foreclosure, deed in lieu of foreclosure, or trustee's sale during the period of their ownership.

Either party may from time to time, by written notice to the other, designate a different address which shall be substituted for that specified above. If any notice or other document is sent by United States mail as provided above, the same shall be deemed fully delivered and received two (2) business days after mailing as provided above. If any notice or other document is sent by Federal Express or other responsible overnight courier as provided for above, the same shall be deemed fully delivered and received one (1) business day after delivery to Federal Express or such other responsible overnight courier as provided above.

5.3 Partial Invalidity. If any portion of the Covenant is determined to be invalid for any reason, the remaining portion shall remain in full force and effect as if such portion had not been included herein.

5.4 Article Headings. Headings at the beginning of each numbered article of this Covenant are solely for the convenience of the parties and are not part of the Covenant.

5.5 Successors and Assigns. This Covenant shall be binding upon and shall inure to the benefit of the successors and assigns of the parties hereto, except as provided in Article 1.2. If the jurisdiction of the Covenantee over environmental matters relating to the Property is at any time delegated to a different governmental agency, such agency shall succeed to the Covenantee's rights hereunder. If at any time no governmental agency has jurisdiction over environmental matters relating to the Property, this Covenant shall thereafter be of no further force or effect. As used herein, the terms Covenantor and Covenantee shall include their successors and assigns.

5.6 Complete Agreement. This Covenant evidences the complete agreement among the Covenantee and the Covenantor, and supersedes all prior offers, contracts, agreements and arrangements between the parties concerning the Property. Except as provided in Article 4, this Covenant may not be changed, modified or rescinded except in a writing, that is recorded in the official records of Merced County, and which is signed and acknowledged by Covenantee and the party owning the portion of the Property as to which such change, modification or rescission will apply, and any attempt at actual or oral modification shall be void and of no effect.

5.7 Counterparts. This Covenant may be executed in counterparts, each of which shall be deemed an original, but all of which, when taken together, shall constitute but one and the same Covenant.

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Stanislaus

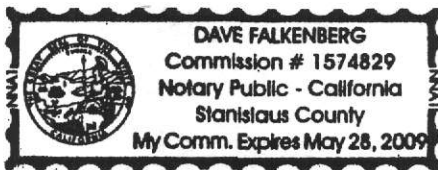
} ss.

On August 25, 2006, before me, Dave Falkenberg, Notary Public,
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Casey Hashimoto,
Name(s) of Signer(s)

- ☒ personally known to me
☒ proved to me on the basis of satisfactory evidence

to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



Place Notary Seal Above

WITNESS my hand and official seal.

[Signature]

Signature of Notary Public

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: Covenant and Agreement to restrict use of Property. APN 045-150-016, Merced Co.

Document Date: August 22, 2006 Number of Pages: 6

Signer(s) Other Than Named Above: Francès L. McChesney

Capacity(ies) Claimed by Signer

Signer's Name: Assistant General Manager, Engineering

- ☐ Individual and Operations.
☐ Corporate Officer — Title(s): XXXXXXXXXXXXXXXXXXXXXXXXXXXX
☐ Partner — ☐ Limited ☐ General
☐ Attorney in Fact
☐ Trustee
☐ Guardian or Conservator
☐ Other: XX

RIGHT THUMBPRINT
OF SIGNER
Top of thumb here.

Signer Is Representing: TURLOCK IRRIGATION DISTRICT.

ALL-PURPOSE ACKNOWLEDGMENT

State of California

County of Sacramento

On Sept 21, 2006, before me, Vitru Vannarath-Kean, Notary Public (name, title of officer),
personally appeared Frances L McChesney

☐ personally known to me – OR – ☒ proved to me on the basis of satisfactory evidence to be the person(s) whose
name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/
her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity
upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

A handwritten signature in dark ink, appearing to read 'Vitru Vannarath-Kean', written over a horizontal line.

Signature

EXHIBIT "A"

Legal Description of Property

All of the real property in the unincorporated area of the County of MERCED, State of California, described as follows:

All that portion of land described in that Deed recorded June 30, 1931 in Volume 351 of Official Records at Page 28, Instrument Number 9061, Merced County Records, and being a portion of the southwest quarter of Section 11, Township 6 South, Range 10 East, Mount Diablo Meridian, described as follows:

Commencing at the southwest corner of said Section 11, Township 6 South, Range 10 East, M.D.M.; thence along the west line of said Section 11, North $0^{\circ} 52' 39''$ East a distance of 65.99 feet; thence South $89^{\circ} 07' 21''$ East, a distance of 30.00 feet to the easterly line of State Highway No. 165 also known as Lander Avenue and the True Point of Beginning;

Thence North $0^{\circ} 52' 39''$ East, along said easterly line of State Highway No. 165 a distance of 54.07 feet; thence departing said easterly line of State Highway No. 165, South $89^{\circ} 15' 24''$ East, a distance of 435.58 feet; thence South $0^{\circ} 52' 39''$ West, a distance of 100.00 feet to the northerly line of August Avenue, a 40-foot wide County Road; thence North $89^{\circ} 15' 24''$ West, along said northerly line of August Ave. a distance of 396.73 feet; thence North $39^{\circ} 24' 25''$ West, a distance of 60.08 feet to the Point of Beginning.

RESOLUTION NO. 2006-54

RESOLUTION APPROVING COVENANT AND AGREEMENT BY TURLOCK
IRRIGATION DISTRICT AND CALIFORNIA REGIONAL WATER QUALITY CONTROL
BOARD

BE IT RESOLVED by the Board of Directors of the Turlock Irrigation District that the Covenant and Agreement to Restrict Use of Property (Deed Restriction) dated August 22, 2006 is hereby approved, and the AGM – Engineering & Operations is hereby authorized and directed to execute the same on behalf of the District.

Moved by Director Fiorini, seconded by Director Short, that the foregoing resolution be adopted.

Upon roll call the following vote was had:

Ayes:	Directors Short, Fiorini, Fernandes, Berryhill
Noes:	Director Crowell
Absent:	Directors None

The President declared the resolution adopted.

I, Tami Wallenburg, Deputy Secretary of the Board of Directors of the TURLOCK IRRIGATION DISTRICT, do hereby CERTIFY that the foregoing is a full, true and correct copy of a resolution duly adopted at a regular meeting of said Board of Directors held the 22nd day of August, 2006.



Deputy Secretary of the Board of
Directors of the Turlock Irrigation District